

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 1 — 2 4

2. STATE:

Texas

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

October 1, 2001

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 440.40

7. FEDERAL BUDGET IMPACT: See Attachment

a. FFY 2002 \$ 165,770

b. FFY 2003 \$ 165,274

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

See Attachment

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

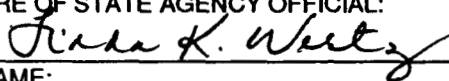
See Attachment

10. SUBJECT OF AMENDMENT: Amendment 619 modifies the nursing facility reimbursement methodology to
add distinct pediatric units to the pediatric care facility special reimbursement class.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☒ OTHER, AS SPECIFIED:Sent to Governor's Office this date. Comments,
if any, will be forwarded upon receipt.

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:

Linda K. Wertz

14. TITLE:

State Medicaid Director

15. DATE SUBMITTED:

December 21, 2001

16. RETURN TO:

Linda K. Wertz
State Medicaid Director
Health and Human Services Commission
Post Office Box 13247
Austin, Texas 78711**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

DECEMBER 26 2001

18. DATE APPROVED:

FEBRUARY 13 2002

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

DEC 01 2001

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPED NAME:

for CALVIN G. CLINE

22. TITLE:

ASSOCIATE REGIONAL ADMINISTRATOR
DIV OF MEDICAID AND STATE OPERATIONS

23. REMARKS:

Attachment to HCFA-179 for
Transmittal No. 01-24, Amendment 619

Number of the
Plan Section or Attachment

Attachment 4.19-D

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Number of the Superseded
Plan Section or Attachment

Attachment 4.19-D

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Page 4d *TN 01-06*



**DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services**

Calvin G. Cline

Associate Regional Administrator, Medicaid and State Operations

1301 Young Street, Room 827
Dallas, Texas 75202
Phone (214) 767-6301
Fax (214) 767-0270

February 13, 2002

Our reference: SPA-TX-01-24

Ms. Linda K. Wertz, State Medicaid Director
Texas Health and Human Services Commission
Post Office Box 13247
Austin, TX 78711

Dear Ms. Wertz:

We have reviewed the proposed amendment to your Medicaid State plan submitted under transmittal no. (TN) 01-24. Effective October 1, 2001, nursing facilities with distinct part pediatric units will qualify for the Pediatric Care Facility reimbursement rate for the distinct pediatric unit. The distinct unit must be a separate unit with an average daily census of 80% or more children and consist of 28 or more Medicaid contracted beds.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13)(A) and 1902(a)(30) of the Social Security Act and the implementing federal regulations at 42 CFR 447 Subpart C. We have approved the amendment for incorporation into the official Texas State plan effective on October 1, 2001. We have enclosed a copy of HCFA-179, transmittal no. 01-24, dated February 13, 2002, and the amended plan pages.

If you have any questions, please call Billy Bob Farrell at (214) 767-6449.

Sincerely,

Sandra Hall
for Calvin G. Cline
Associate Regional Administrator
Division of Medicaid and State Operations

Enclosures

cc: Elliot Weisman, CMSO, PCPG
Commerce Clearing House



- (C) Special reimbursement class. HHSC may define special reimbursement classes including experimental reimbursement classes of service to be used in research and demonstration projects on new reimbursement methods and reimbursement classes of service to address the cost differences of a select group of recipients. Special classes may be implemented on a statewide basis, may be limited to a specific region of the state, or may be limited to a selected group of providers.

(1) Pediatric Care Facility Class. The purpose of this special class is to recognize, through the adoption of a facility-specific payment rate, the cost differences that exist in a nursing facility or distinct unit of a nursing facility that serves predominantly children.

(2) Definitions.

- (a) Pediatric care facility - A pediatric care facility is an entire facility or a distinct unit of a facility that has maintained an average daily census of 80% or more children for the six-month period prior to its entry into the pediatric care facility class. The census must be based on the entire licensed pediatric care facility (whether an entire facility or a distinct unit of a facility). In addition, to remain a pediatric care facility, the facility must maintain an average daily census of 80% or more children. The contracted provider must request in writing by certified mail to become a member of the pediatric care facility class.
- (b) Distinct unit - A portion of a nursing facility that is physically separate from (that is the beds are not commingled with) other units of the facility. The distinct unit can be an entire wing, a separate building, an entire floor, or an entire hallway. The distinct unit consists of all the beds within the designated area. A distinct unit must consist of 28 or more Medicaid contracted beds.
- (c) Children - For the purposes of this pediatric care facility class, children are defined as being at or below 22 years of age.

TX 01-06

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(3) Payment rate determination. Payment rates will be determined in the following manner:

(a) Payment rates for this class of service will be determined on a facility-specific basis for the pediatric care facility. The total allowable costs from the most recent cost report deemed acceptable are adjusted for inflation from the cost report period to the rate period. The adjusted cost is divided by the greater of total patient days of service reported on the cost report or the days of service at 85 percent of contracted capacity of the pediatric care facility. The resulting cost per day is multiplied by a factor of 1.03 to determine the final facility-specific rate. If no acceptable cost report is available, the provider will be required to submit a cost report covering the time period specified by HHSC. A nursing facility that contains a pediatric care facility distinct unit must complete two cost reports: one cost report for the pediatric care facility distinct unit and one cost report for the remainder of the facility.

(b) The facility-specific payment rate will be paid for all Medicaid residents of a qualifying pediatric care facility regardless of the TILE level of the resident.

(c) Residents of the pediatric care facility will not be eligible to receive the ventilator-dependent or the children-with-tracheostomies supplemental reimbursements.

(d) Pediatric care facilities are not eligible to participate in the Enhanced Direct Care Staff Rate.

SUPERSEDES: TN- TX 01-06

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DATE REC'D	<u>12-26-01</u>	
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